

HOUSE BILL 456

By Thompson

AN ACT to amend Tennessee Code Annotated, Title 5;
Title 6; Title 7; Title 8 and Title 50, relative to
retirement plans.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-25-104, is amended by adding the following as a new subsection:

Notwithstanding any law to the contrary, a political subdivision, or an instrumentality of a political subdivision that has at least one thousand (1,000) employees, may implement, adopt, or administer an automatic deferred or tax-sheltered compensation plan for employees of that political subdivision or instrumentality that constitutes an eligible automatic contribution arrangement under § 414(w) of the Internal Revenue Code of 1986, codified in 26 U.S.C. § 414(w). Such deferred or tax-sheltered compensation plan may provide, subject to the notice, election to withdraw, and other requirements of § 414(w) of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, that employees or a classification of employees eligible to participate in the plan on or after implementation of the plan must participate in the plan as a condition of employment unless such covered employee files notice with the sponsoring employer indicating that person's election not to participate in the manner and in the time period prescribed by the sponsoring employer.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.